

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska
MINUTES

May 7-8, 2003

1. General

A. Call to Order and Roll Call. The Board of Public Accountancy was called to order at 10:10 a.m. on Wednesday, May 7, 2003 with Chair William L. Gaines, Jr., CPA presiding. The roll was called with the following members present: William Gaines, Nina Kavich, Dean Graf, William Nuckolls, Terry Ellinger, Michelle Thornburg, Richard Zacharia and Jim Titus. Also present was Executive Director, Dan Sweetwood, and Office Staff, Lisa Koch & Kelly Ebert. The meeting was held at the Lancaster County Events Center Exhibition Building, 4100 N. 84th Street, Lincoln, Nebraska.

B. Approval of meeting agenda for May 7-8, 2003. Moved by Nuckolls, seconded by Ellinger, to approve the agenda for the May 7-8, 2003 meeting. On roll call vote, all members present voted aye. Motion number 1 carried.

C. Approval of the minutes of the March 23-24, 2003 Board meeting. Moved by Graf, seconded by Titus, to approve the minutes as written. On roll call vote, all members present voted aye. Motion number 2 carried.

2. Public Comment Period

Time was allowed on the agenda for members of the public to address the Board with comments. There were no members of the public in attendance at the meeting.

3. Consent Agenda

Approval of Consent Agenda by Roll Call Vote. Moved by Graf, seconded by Nuckolls, to approve the Consent Agenda, with the exception of the April 2003 disbursements which were deferred to the July meeting. On roll call vote, all members present voted aye. Motion number 3 carried.

- A. Published Notice of Meeting.** Pursuant to call and published notice, the notice of meeting is herewith attached.
- B. Approval of January – March 2003 disbursements.** The Board reviewed and approved the January, February and March 2003 disbursements.
- C. Review of Board Budget Status Report.** The Board reviewed the April 30, 2003 Budget Status Report.

CLOSED MEETING

Closed Meeting. Moved by Thornburg, seconded by Zacharia, that the Board go into closed session at 10:38 a.m. for the purposes of enforcement, litigation and personnel issues. On roll call vote, all members present voted aye. Motion number 4 carried.

Return to Open Meeting. Moved by Ellinger, seconded by Thornburg, that the Board return to open session at 1:24 p.m. On roll call vote, all members present voted aye. Motion number 5 carried.

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4. Report of Chair

A. Report on To Do List. Each committee will report on the status of their To Do List Items under their committee report.

B. Status/Volunteer Committees. Chair Gaines reported that due to time constraints, Kathy Smith will no longer be serving as a volunteer on the Enforcement Committee, but will continue to help with the Education & Exam Committee as a volunteer.

5. Report of the Legislation Committee

A. Legislation Update. 1. LB258 regarding managers of accounting offices has been signed by the Governor.

2. The Legislation Committee plans to meet with the Nebraska Society of CPAs in late May to discuss the issues carried over from the last meeting of the two committees.

3. Committee Chair Gaines reported on status of items on the To Do List.

6. Report of Enforcement of Professional Conduct Committee

A. Determination of Probable Cause or Lack of Probable Cause. Motion out of committee to close Complaint #0102-023 for lack of probable cause. Upon roll call vote, all members present voted aye. Motion number 6 carried.

B. Reinstatement of Surrendered/Revoked CPA Certificate(s). None at this time. No action needed.

C. Report on To Do List. Committee Chair Gaines reported on status of items on To Do List.

D. Other Misc. Items. Nothing to report.

7. Report of Licensing Committee

A. Ratification of initial permits to practice issued; certificates issued. Motion out of committee to ratify initial permits to practice and certificates issued. Upon roll call vote, all members present voted aye except Thornburg, who voted nay. Motion number 7 carried.

B. Application(s) for Reinstatement to Active Permit. No applications at this time. No action needed.

C. Application(s) from Active to Inactive/Retired. Motion out of committee to accept the applications for Inactive-Retired classification for Certificates #1287, #4515, #5221, & #727, subject to receipt of the signed affidavit. Upon roll call vote, all members present voted aye. Motion number 8 carried.

D. Approval of Revised Forms. Motion out of committee to approve the revised forms for renewals of firm permits, inactive registrations, active permits and registration of Nebraska certificates. Upon roll call vote, all members present voted aye, except Graf who was absent and Gaines who voted nay. Motion number 9 carried.

E. Analysis of Cash Flow & Review of Fee Structure re: Permit Fees. Committee discussed new maximum fees as a result of LB214. Moved by Graf, seconded by Zacharia to give authority to Executive Committee to obtain opinion on sole practitioner firm permit from Lynn Melson and

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decide on action to take regarding 2002 & 2003 permits. On roll call vote, all members present voted aye. Motion number 10 carried.

F. Performance Card Survey. After discussion, it was decided to take no action on sending performance survey out to licensees in 2003.

G. Report on To Do List. Committee Chair Ellinger reported on the status of To Do List items.

H. Other Misc. Items. No items to discuss.

8. Report of Quality Enhancement Program (QEP)

A. Report of Committee. No report.

B. List of Firms Due to Submit Reports in 2003. The Committee presented a list of firms that are due to submit reports to QEP in 2003.

C. Report on To Do List. Committee Chair Graf reported on status of To Do List items.

D. Other Misc. Items. No items to discuss.

9. Report of Continuing Education Committee

A. Report of the Committee. The committee presented the minutes from its April 28, 2003 meeting.

B. Ratification of staff program evaluations since last meeting. Motion out of committee to accept the 167 committee approved courses and the 6 committee denied courses. Upon roll call vote, all members voted aye. Motion number 11 carried.

Motion out of committee to support the committee's original decision on Course #23 – Getting Results Through People. Upon roll call vote, all members voted aye. Motion number 12 carried.

C. Report on Deficiencies for Renewal in 2003. The Board received a list of individuals with active permits expiring June 30, 2003 that have not reported sufficient CPE hours to renew their permit for July 1, 2003. The list will be kept updated and provided again at the next meeting.

D. Report on To Do List. Committee Chair Nuckolls reported on status of To Do List items.

E. Other Items. The Board discussed responses received from a quick poll to other states regarding “audit” of CPE.

10. Report of Education and Exam Committee

A. Report of Committee. The committee presented a report from its May 5, 2003 conference call.

B. NASBA CPAES Update. The committee reported on the number of exam candidates for the May 2003 CPA Exam, issues relating to proctors, and issues to be discussed with CPAES.

C. Transition from Paper Exam to CBT. The committee reported on issues raised during the Central Region Conference Call and discussed the National Candidate Database. The last paper and pencil exam will be November 5-6, 2003. The committee will begin drafting rules for CBT.

D. Analysis of Cash Flow and Review of Fee Structure re: Exam Fees. Motion out of committee to increase exam fees and reciprocal certificate fees to the new statutory maximums as a result of LB214. This would increase initial exam fee from \$200 to \$300, increase reexamination fee from

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\$50 per section to \$75 per section, and increase reciprocal certificates from \$200 to \$400. Upon roll call vote, all members voted aye. Motion number 13 carried.

E. Report on To Do List. Committee Chair Thornburg reported on status of To Do List items. Moved by Zacharia, seconded by Ellinger to give the Education & Exam Committee authority to evaluate costs of educational seminar regarding CBT for college and university educators and make a decision on whether to proceed. Upon roll call vote, all members voted aye. Motion number 14 carried.

F. Other Misc. Items. No items to discuss.

11. Report of Executive Director

A. Computer System Issues. The Executive Director updated the Board on replacement of computer hardware.

B. NIS System/Financial Status. The Executive Director reported on the current status of and problems with the NIS system. There are training sessions coming up that the staff will be participating in.

C. NOL Computer Grant. The Board gave direction to the Executive Director to use his discretion in hiring an outside computer consultant to evaluate computer infrastructure and software programs in order to go forward with State Records Board grant.

D. Staffing & General Office Issues. Lisa Koch has notified the Board of her resignation. Her last day will be no later than August 31, 2003. The Board gave direction to the Executive Director to start the process in finding a replacement for Lisa. The Executive Director presented the March Staff Activity Report to the Board.

E. Status of Annual Register for 2002. A corrected annual register is being reviewed and should be printed soon.

F. Report on NASBA Central Region Conference Call. Report was presented to the Board by the Executive Director.

G. Report on To Do List. The Executive Director reported on the status of To Do List items.

12. New Business

A. Future Meeting Dates. Dates for future meetings have been set for July 16-18, and September 16 -17, 2003.

B. NASBA Items. 1. NASBA Meetings/Travel 2003. General discussion of importance of Board members attendance at NASBA meetings.

2. Regional Meeting Registration and Attendance. Board members and Executive Director are registered to attend Regional NASBA meeting in Portland.

3. Focus Questions. Vice-Chair Kavich responded to April focus questions on behalf of the Board.

4. NASBA Committees. We have received request from NASBA for Board members to serve on NASBA Committees. Any Board member interested should submit their application.

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13. Recess

Moved by Ellinger, seconded by Graf that the Board recess for the day at 5:12 p.m. Upon roll call vote, all members voted aye. Motion number 15 carried.

14. General

A. Call to Order and Roll Call. The Board of Public Accountancy was called to order at 8:24 a.m. on Thursday, May 8, 2003 with Chair William L. Gaines, Jr., CPA presiding. The roll was called with the following members present: William Gaines, Nina Kavich, Dean Graf, William Nuckolls, Terry Ellinger, Michelle Thornburg, Richard Zacharia and Jim Titus. Also present was Executive Director, Dan Sweetwood. The meeting was held at the Board's Office, 140 N. 8th Street, Suite 290, Lincoln, Nebraska.

CLOSED MEETING

Closed Meeting. Moved by Thornburg, seconded by Kavich, that the Board go into closed session at 8:25 a.m. for the purposes of enforcement, litigation and personnel issues. On roll call vote, all members present voted aye. Motion number 16 carried.

Return to Open Meeting. Moved by Thornburg, seconded by Ellinger, that the Board return to open session at 8:54 a.m. On roll call vote, all members present voted aye. Motion number 17 carried.

15. Certificate Issuance Hearing – John Troshynski

An evidentiary hearing regarding issuance of a certificate was held at 9:00 a.m. Robert T. Gruit represented the Board. Dana C. "Woody" Bradford, III represented the Respondent, John Troshynski, who was also present. William Gaines, Jr. was the hearing officer. Participating in the hearing were Board members: William Gaines, Nina Kavich, Jim Titus, Dick Zacharia, Terry Ellinger, Dean Graf, Michelle Thornburg & William Nuckolls. The hearing concluded at 10:00 a.m.

CLOSED MEETING

Closed Meeting. Moved by Kavich, seconded by Nuckolls, that the Board go into closed session at 10:10 a.m. for the purposes of enforcement, litigation and personnel issues. On roll call vote, all members present voted aye. Motion number 18 carried.

Ellinger left the meeting at 11:37 a.m.

Return to Open Meeting. Moved by Titus, seconded by Zacharia, that the Board return to open session at 11:55 a.m. On roll call vote, all members present voted aye, except Member Ellinger who was absent. Motion number 19 carried.

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Moved by Graf, seconded by Zacharia that the Board request both attorneys to prepare simultaneous response briefs on the Troshynski hearing within 10 days. Upon roll call vote, all members present voted aye except Member Ellinger who was absent. Motion number 20 carried.

16. Formal Hearing – Rodney Zwygart

Moved by Titus, seconded by Graf to accept Respondent's request for a continuance and reschedule Hearing for July 16, 2003 at 8:30 a.m. On roll call vote, all members present voted aye, except Member Ellinger who was absent. Motion number 21 carried.

17. Adjournment

It was moved by Zacharia, and seconded by Titus, that the Board adjourn at 12:02 p.m. on Thursday, May 8, 2003. On roll call vote, all members present voted aye, except Member Ellinger who was absent. Motion number 22 carried.

Submitted by,

Michelle R. Thornburg, CPA
Secretary